

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 910**

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**Introduced by Assembly Member Torres**

February 17, 2011

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~~An act to amend Section 33333.6 of the Health and Safety Code, relating to redevelopment. An act to amend Section 53395.3 of the Government Code, relating to local planning.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 910, as amended, Torres. ~~Redevelopment plans: time limitations. Infrastructure financing districts: facilities and projects.~~

*Existing law authorizes counties and cities to form infrastructure financing districts, in accordance with a prescribed procedure, and requires that a district finance only public capital facilities of communitywide significance, as specified.*

*This bill would, in addition to public capital facilities, require a district to finance affordable housing facilities and economic development projects.*

~~The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be prepared, and approve a redevelopment plan for each project area. Existing law terminates the effectiveness of every redevelopment plan adopted on or before December 31, 1993, 40 years from the adoption of the redevelopment plan or January 1, 2009, whichever is later.~~

~~This bill would make technical, nonsubstantive changes to the provision of law relating to the effectiveness of redevelopment plans.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 53395.3 of the Government Code is  
2     amended to read:  
3     53395.3. (a) (1) A district may finance ~~(1) the~~ all of the  
4     following:  
5         (A) The purchase, construction, expansion, improvement, seismic  
6         retrofit, or rehabilitation of any real or other tangible property with  
7         an estimated useful life of 15 years or longer ~~which~~ that satisfies  
8         the requirements of subdivision ~~(b), (2)~~ may finance (b).  
9         (B) The planning and design work ~~which~~ that is directly related  
10        to the purchase, construction, expansion, or rehabilitation of that  
11        property and ~~(3) the~~ property.  
12        (C) The costs described in Sections 53395.5, and 53396.5. ~~A~~  
13        (2) A district may ~~only~~ finance only the purchase of facilities  
14        for which construction has been completed, as determined by the  
15        legislative body. The facilities need not be physically located within  
16        the boundaries of the district. A district may not finance routine  
17        maintenance, repair work, or the costs of ongoing operation or  
18        providing services of any kind.  
19        (b) The district shall finance only *affordable housing facilities,*  
20        *economic development projects,* and public capital facilities of  
21        communitywide significance, ~~which~~ that provide significant  
22        benefits to an area larger than the area of the district, including,  
23        but not limited to, all of the following:  
24            (1) Highways, interchanges, ramps and bridges, arterial streets,  
25            parking facilities, and transit facilities.  
26            (2) Sewage treatment and water reclamation plants and  
27            interceptor pipes.  
28            (3) Facilities for the collection and treatment of water for urban  
29            uses.  
30            (4) Flood control levees and dams, retention basins, and drainage  
31            channels.  
32            (5) Child care facilities.  
33            (6) Libraries.  
34            (7) Parks, recreational facilities, and open space.

1 (8) Facilities for the transfer and disposal of solid waste,  
2 including transfer stations and vehicles.

3 (c) Any district ~~which~~ *that* constructs dwelling units shall set  
4 aside not less than 20 percent of those units to increase and improve  
5 the community's supply of low- and moderate-income housing  
6 available at an affordable housing cost, as defined by Section  
7 50052.5 of the Health and Safety Code, to persons and families of  
8 low- and moderate-income, as defined in Section 50093 of the  
9 Health and Safety Code.

10 ~~SECTION 1. Section 33333.6 of the Health and Safety Code~~  
11 ~~is amended to read:~~

12 ~~33333.6. The limitations of this section shall apply to every~~  
13 ~~redevelopment plan adopted on or before December 31, 1993.~~

14 ~~(a) The effectiveness of every redevelopment plan to which this~~  
15 ~~section applies shall terminate at a date that shall not exceed 40~~  
16 ~~years from the date of the adoption of the redevelopment plan or~~  
17 ~~January 1, 2009, whichever date is later. After the time limit on~~  
18 ~~the effectiveness of the redevelopment plan, the agency shall have~~  
19 ~~no authority to act pursuant to the redevelopment plan except to~~  
20 ~~pay previously incurred indebtedness, to comply with Section~~  
21 ~~33333.8 and to enforce existing covenants, contracts, or other~~  
22 ~~obligations.~~

23 ~~(b) Except as provided in subdivisions (f) and (g), a~~  
24 ~~redevelopment agency may not pay indebtedness or receive~~  
25 ~~property taxes pursuant to Section 33670 after 10 years from the~~  
26 ~~termination of the effectiveness of the redevelopment plan pursuant~~  
27 ~~to subdivision (a).~~

28 ~~(c) (1) If plans that had different dates of adoption were merged~~  
29 ~~on or before December 31, 1993, the time limitations required by~~  
30 ~~this section shall be counted individually for each merged plan~~  
31 ~~from the date of the adoption of each plan. If an amendment to a~~  
32 ~~redevelopment plan added territory to the project area on or before~~  
33 ~~December 31, 1993, the time limitations required by this section~~  
34 ~~shall commence, with respect to the redevelopment plan, from the~~  
35 ~~date of the adoption of the redevelopment plan, and, with respect~~  
36 ~~to the added territory, from the date of the adoption of the~~  
37 ~~amendment.~~

38 ~~(2) If plans that had different dates of adoption are merged on~~  
39 ~~or after January 1, 1994, the time limitations required by this~~

1 section shall be counted individually for each merged plan from  
2 the date of the adoption of each plan.

3 (d) (1) Unless a redevelopment plan adopted prior to January  
4 1, 1994, contains all of the limitations required by this section and  
5 each of these limitations does not exceed the applicable time limits  
6 established by this section, the legislative body, acting by ordinance  
7 on or before December 31, 1994, shall amend every redevelopment  
8 plan adopted prior to January 1, 1994, either to amend an existing  
9 time limit that exceeds the applicable time limit established by this  
10 section or to establish time limits that do not exceed the provisions  
11 of subdivision (b) or (c).

12 (2) The limitations established in the ordinance adopted pursuant  
13 to this section shall apply to the redevelopment plan as if the  
14 redevelopment plan had been amended to include those limitations.  
15 However, in adopting the ordinance required by this section, neither  
16 the legislative body nor the agency is required to comply with  
17 Article 12 (commencing with Section 33450) or any other provision  
18 of this part relating to the amendment of redevelopment plans.

19 (e) (1) If a redevelopment plan adopted prior to January 1,  
20 1994, contains one or more limitations required by this section,  
21 and the limitation does not exceed the applicable time limit required  
22 by this section, this section shall not be construed to require an  
23 amendment of this limitation.

24 (2) (A) A redevelopment plan adopted prior to January 1, 1994,  
25 that has a limitation shorter than the terms provided in this section  
26 may be amended by a legislative body by adoption of an ordinance  
27 on or after January 1, 1999, but on or before December 31, 1999,  
28 to extend the limitation, provided that the plan as so amended does  
29 not exceed the terms provided in this section. In adopting an  
30 ordinance pursuant to this subparagraph, neither the legislative  
31 body nor the agency is required to comply with Section 33354.6,  
32 Article 12 (commencing with Section 33450), or any other  
33 provision of this part relating to the amendment of redevelopment  
34 plans.

35 (B) On or after January 1, 2002, a redevelopment plan may be  
36 amended by a legislative body by adoption of an ordinance to  
37 eliminate the time limit on the establishment of loans, advances,  
38 and indebtedness required by this section prior to January 1, 2002.  
39 In adopting an ordinance pursuant to this subparagraph, neither  
40 the legislative body nor the agency is required to comply with

1 Section 33354.6, Article 12 (commencing with Section 33450),  
2 or any other provision of this part relating to the amendment of  
3 redevelopment plans, except that the agency shall make the  
4 payment to affected taxing entities required by Section 33607.7.

5 (C) When an agency is required to make a payment pursuant to  
6 Section 33681.9, the legislative body may amend the  
7 redevelopment plan to extend the time limits required pursuant to  
8 subdivisions (a) and (b) by one year by adoption of an ordinance.  
9 In adopting an ordinance pursuant to this subparagraph, neither  
10 the legislative body nor the agency is required to comply with  
11 Section 33354.6, Article 12 (commencing with Section 33450),  
12 or any other provision of this part relating to the amendment of  
13 redevelopment plans, including, but not limited to, the requirement  
14 to make the payment to affected taxing entities required by Section  
15 33607.7.

16 (D) When an agency is required pursuant to Section 33681.12  
17 to make a payment to the county auditor for deposit in the county's  
18 Educational Revenue Augmentation Fund created pursuant to  
19 Article 3 (commencing with Section 97) of Chapter 6 of Part 0.5  
20 of Division 1 of the Revenue and Taxation Code, the legislative  
21 body may amend the redevelopment plan to extend the time limits  
22 required pursuant to subdivisions (a) and (b) by the following:

23 (i) One year for each year in which a payment is made, if the  
24 time limit for the effectiveness of the redevelopment plan  
25 established pursuant to subdivision (a) is 10 years or less from the  
26 last day of the fiscal year in which a payment is made.

27 (ii) One year for each year in which a payment is made, if both  
28 of the following apply:

29 (I) The time limit for the effectiveness of the redevelopment  
30 plan established pursuant to subdivision (a) is more than 10 years  
31 but less than 20 years from the last day of the fiscal year in which  
32 a payment is made.

33 (II) The legislative body determines in the ordinance adopting  
34 the amendment that, with respect to the project, the agency is in  
35 compliance with Section 33334.2 or 33334.6, as applicable, has  
36 adopted an implementation plan in accordance with the  
37 requirements of Section 33490, is in compliance with subdivisions  
38 (a) and (b) of Section 33413, to the extent applicable, and is not  
39 subject to sanctions pursuant to subdivision (c) of Section 33334.12  
40 for failure to expend, encumber, or disburse an excess surplus.

1     ~~(iii) This subparagraph shall not apply to any redevelopment~~  
2 ~~plan if the time limit for the effectiveness of the redevelopment~~  
3 ~~plan established pursuant to subdivision (a) is more than 20 years~~  
4 ~~after the last day of the fiscal year in which a payment is made.~~

5     ~~(3) (A) The legislative body by ordinance may adopt the~~  
6 ~~amendments provided for under this paragraph following a public~~  
7 ~~hearing. Notice of the public hearing shall be mailed to the~~  
8 ~~governing body of each affected taxing entity at least 30 days prior~~  
9 ~~to the public hearing and published in a newspaper of general~~  
10 ~~circulation in the community at least once, not less than 10 days~~  
11 ~~prior to the date of the public hearing. The ordinance shall contain~~  
12 ~~a finding of the legislative body that funds used to make a payment~~  
13 ~~to the county's Educational Revenue Augmentation Fund pursuant~~  
14 ~~to Section 33681.12 would otherwise have been used to pay the~~  
15 ~~costs of projects and activities necessary to carry out the goals and~~  
16 ~~objectives of the redevelopment plan. In adopting an ordinance~~  
17 ~~pursuant to this paragraph, neither the legislative body nor the~~  
18 ~~agency is required to comply with Section 33354.6, Article 12~~  
19 ~~(commencing with Section 33450), or any other provision of this~~  
20 ~~part relating to the amendment of redevelopment plans.~~

21     ~~(B) The time limit on the establishment of loans, advances, and~~  
22 ~~indebtedness shall be deemed suspended and of no force or effect~~  
23 ~~but only for the purpose of issuing bonds or other indebtedness~~  
24 ~~the proceeds of which are used to make the payments required by~~  
25 ~~Section 33681.12 if the following apply:~~

26     ~~(i) The time limit on the establishment of loans, advances, and~~  
27 ~~indebtedness required by this section prior to January 1, 2002, has~~  
28 ~~expired and has not been eliminated pursuant to subparagraph (B).~~

29     ~~(ii) The agency is required to make a payment pursuant to~~  
30 ~~Section 33681.12.~~

31     ~~(iii) The agency determines that in order to make the payment~~  
32 ~~required by Section 33681.12, it is necessary to issue bonds or~~  
33 ~~incur other indebtedness.~~

34     ~~(iv) The proceeds of the bonds issued or indebtedness incurred~~  
35 ~~are used solely for the purpose of making the payments required~~  
36 ~~by Section 33681.12 and related costs.~~

37     ~~The suspension of the time limit on the establishment of loans,~~  
38 ~~advances, and indebtedness pursuant to this subparagraph shall~~  
39 ~~not require the agency to make the payment to affected taxing~~  
40 ~~entities required by Section 33607.7.~~

1     ~~(4) (A) A time limit on the establishing of loans, advances, and~~  
2 ~~indebtedness to be paid with the proceeds of property taxes~~  
3 ~~received pursuant to Section 33670 to finance in whole or in part~~  
4 ~~the redevelopment project shall not prevent an agency from~~  
5 ~~incurring debt to be paid from the agency's Low and Moderate~~  
6 ~~Income Housing Fund or establishing more debt in order to fulfill~~  
7 ~~the agency's affordable housing obligations, as defined in~~  
8 ~~paragraph (1) of subdivision (a) of Section 33333.8.~~

9     ~~(B) A redevelopment plan may be amended by a legislative~~  
10 ~~body to provide that there shall be no time limit on the~~  
11 ~~establishment of loans, advances, and indebtedness paid from the~~  
12 ~~agency's Low and Moderate Income Housing Fund or establishing~~  
13 ~~more debt in order to fulfill the agency's affordable housing~~  
14 ~~obligations, as defined in paragraph (1) of subdivision (a) of~~  
15 ~~Section 33333.8. In adopting an ordinance pursuant to this~~  
16 ~~subparagraph, neither the legislative body nor the agency is~~  
17 ~~required to comply with Section 33345.6, Article 12 (commencing~~  
18 ~~with Section 33450), or any other provision of this part relating to~~  
19 ~~the amendment of redevelopment plans, and the agency shall not~~  
20 ~~make the payment to affected taxing entities required by Section~~  
21 ~~33607.7.~~

22     ~~(f) The limitations established in the ordinance adopted pursuant~~  
23 ~~to this section shall not be applied to limit the allocation of taxes~~  
24 ~~to an agency to the extent required to comply with Section 33333.8.~~  
25 ~~In the event of a conflict between these limitations and the~~  
26 ~~obligations under Section 33333.8, the limitations established in~~  
27 ~~the ordinance shall be suspended pursuant to Section 33333.8.~~

28     ~~(g) (1) This section does not effect the validity of any bond,~~  
29 ~~indebtedness, or other obligation, including any mitigation~~  
30 ~~agreement entered into pursuant to Section 33401, authorized by~~  
31 ~~the legislative body, or the agency pursuant to this part, prior to~~  
32 ~~January 1, 1994.~~

33     ~~(2) This section does not affect the right of an agency to receive~~  
34 ~~property taxes, pursuant to Section 33670, to pay the bond,~~  
35 ~~indebtedness, or other obligation.~~

36     ~~(3) This section does not affect the right of an agency to receive~~  
37 ~~property taxes pursuant to Section 33670 to pay refunding bonds~~  
38 ~~issued to refinance, refund, or restructure indebtedness authorized~~  
39 ~~prior to January 1, 1994, if the last maturity date of these refunding~~  
40 ~~bonds is not later than the last maturity date of the refunded~~

1 indebtedness and the sum of the total net interest cost to maturity  
2 on the refunding bonds plus the principal amount of the refunding  
3 bonds is less than the sum of the total net interest cost to maturity  
4 on the refunded indebtedness plus the principal amount of the  
5 refunded indebtedness.

6 ~~(h) A redevelopment agency shall not pay indebtedness or~~  
7 ~~receive property taxes pursuant to Section 33670, with respect to~~  
8 ~~a redevelopment plan adopted prior to January 1, 1994, after the~~  
9 ~~date identified in subdivision (b) or the date identified in the~~  
10 ~~redevelopment plan, whichever is earlier, except as provided in~~  
11 ~~paragraph (2) of subdivision (e), in subdivision (g), or in Section~~  
12 ~~33333.8.~~

13 ~~(i) The Legislature finds and declares that the amendments made~~  
14 ~~to this section by Chapter 942 of the Statutes of 1993 are intended~~  
15 ~~to add limitations to the law on and after January 1, 1994, and are~~  
16 ~~not intended to change or express legislative intent with respect~~  
17 ~~to the law prior to that date. It is not the intent of the Legislature~~  
18 ~~to affect the merits of any litigation regarding the ability of a~~  
19 ~~redevelopment agency to sell bonds for a term that exceeds the~~  
20 ~~limit of a redevelopment plan pursuant to law that existed prior to~~  
21 ~~January 1, 1994.~~

22 ~~(j) If a redevelopment plan is amended to add territory, the~~  
23 ~~amendment shall contain the time limits required by Section~~  
24 ~~33333.2.~~